



**FEMA**

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# News Release

## **Is Your Business Ready for Disaster?**

*Four steps to minimizing losses*

**OLYMPIA, WA—** When disaster strikes, businesses can be affected too: buildings can be damaged, inventory ruined, and records lost. Yet, orders still must be filled and payrolls must be met. Owners, caught up in building the business, meeting with customers and handling employee issues, often fail to prepare for the worst.

According to disaster recovery officials, preparing for a disaster, and mitigating the damage a business in the area most likely would suffer, is something every company should do.

“Do a risk-analysis for the more frequently experienced disasters - in Washington that is most likely flooding, wildfires and earthquakes,” said Marty Best, Washington hazard mitigation officer.

“Develop both emergency and recovery plans for your business, planning in advance what to do if a disaster occurs, including employee assignments.”

There are four critical parts to disaster preparation: making the company’s physical location less vulnerable, ensuring that business data such as sales records, customer lists, tax information, etc. is backed up offsite, purchasing adequate insurance coverage, and formulating a contingency plan to continue operating even if the company’s location is heavily damaged or destroyed.

When it comes to insuring a company, it’s imperative to know exactly what your policy covers, and doesn’t cover. Don’t assume, for example, that a standard business policy will cover flooding or earthquakes. The chances are high that it won’t, and that insurance for these kinds of disasters will have to be purchased separately. It may also be a good idea to consider business interruption insurance that would cover lost profits should you, or under some policies, your suppliers or customers, be unable to operate.

According to Ryan Ike, floodplain manager with the National Flood Insurance Program (NFIP), “Any business owner within an NFIP participating community can buy up to \$500,000 of flood insurance coverage for the structure and an additional \$500,000 of coverage for the contents.” There is a 30-day waiting period before the policy takes effect.

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There are a number of physical precautions against flood damage that can be taken in older buildings, including: elevating or relocating any appliances, critical equipment or machinery well in advance of a flood. Items such as furnaces, water heaters, copiers, computer networks, etc. should be elevated on a raised platform base. Electrical panel boxes and outlets can be relocated higher as well. Relocation sites should be above the base flood elevation (BFE). Local building officials can identify the BFE. Building code authorities should be contacted prior to making structural changes.

*FEMA manages federal response and recovery efforts following any national incident. FEMA also initiates mitigation activities, works with state and local emergency managers, and manages the National Flood Insurance Program. FEMA became part of the U.S. Department of Homeland Security on March*